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Patent Venture Group 10788 Civic Center Drive, Suite 215 Rancho Cucamonga, CA 91730-3805			EXAMINER OBEID, MAMON A	
			ART UNIT 3621	PAPER NUMBER
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**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

**Office Action Summary****Application No.**

09/423,025

**Applicant(s)**

PETERSON ET AL.

**Examiner**

MAMON OBEID

**Art Unit**

3621

**-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --**  
**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 17 March 2008.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 12-15 and 26-31 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 12-15 and 26-31 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- 1) ☐ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/SB/C)
- Paper No(s)/Mail Date \_\_\_\_\_
- 4) ☐ Interview Summary (PTO-413)
- Paper No(s)/Mail Date \_\_\_\_\_
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: \_\_\_\_\_

## **DETAILED ACTION**

### ***Status of Claims***

1. This is in reply to the amendment filed March 17, 2008.
2. Claims 14 and 26 have been amended.
3. Claims 12-15 and 26-31 are currently pending and have been examined.

### ***Claim Rejections - 35 USC § 112***

4. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter, which the applicant regards as his invention.

5. Claims 12-15 and 26-31 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.
6. Claims 12, 26 and 29 recites the limitation "all said keys". There is insufficient antecedent basis for this limitation in the claim. The Examiner is confused about the number of keys required to unwrap the digital wrapper. There is a possibility that the user can unwrap the digital wrapper using one key ("*receiving at least one key*"), which contradicts with, for example, the limitation ("*unwrapping said digital wrapper protecting said selection using all said keys required for said selection*") of claim 12. The Examiner suggests replacing the phrase "all said keys" with "said at least one key".

***Claim Rejections - 35 USC § 103***

7. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

8. Claims 12-15 and 26-31 are rejected under 35 U.S.C. 103(a) as being unpatentable over Subler et al (US Patent No. 5,646,992) in view of Hurley (US Patent No. 5,984,508).

9. **As per claim 12:** Subler discloses the following limitations:

- a. wherein said assets are instances of the digital content and are protected from unauthorized use by a digital wrapper requiring at least one key for unwrapping (see at least column 1, lines 5-6 and 62-63, column 7, lines 10-13, column 9, lines 32-48 and column 16, lines 20-27);
- b. subsequent to said delivery of said personal computer to said user, displaying on the personal computer information about said inventory (see at least column 3, lines 39-52);
- c. accepting a selection representing a particular said asset from said user (see at least column 5, lines 5-30);
- d. transmitting money representing payment for said selection and an identifier associated with said selection from the personal computer to a clearing

house, via a communications system (see at least column 3, lines 30-31 and column 4, lines 51-64);

- e. receiving at least one key associated with said selection at the personal computer (see at least column 16, lines 20-26); and
- f. unwrapping said digital wrapper protecting said selection using all said keys required for said selection (see at least column 15, lines 49-56).

Subler does not explicitly disclose an inventory of assets pre-stored in a hard drive, however, Hurley discloses storing an inventory of assets in a hard drive of a personal computer prior to delivery of said personal computer to a user (see at least column 1, lines 8-27).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify Subler's teachings to include the step of pre-storing digital content in the computer's hard-drive before its delivered to the user to 1) ensure the compatibility of the digital content with the computer configuration, 2) to restrict the usage of the digital content to only one computer hard drive and 3) to reduce the cost of delivering the digital content to the user by not using a storage media such as CD-ROM's.

10. **As per claim 13:** Subler discloses the following limitations:
- a. receiving at the personal computer a first said key from said clearing house (see at least column 10, lines 2-5);
  - b. transmitting from the personal computer said first said key to a master server, via said communications system (see at least column 10, lines 5-11, column 15, lines 49-56 and column 18, lines 39-53); and
  - c. receiving back at the personal computer a second said key from said master server (see at least column 10, lines 5-11 and column 15, lines 49-56).
11. **As per claim 14:** Subler discloses wherein said (b) through said (f) are performed using a graphical user interface that presents said assets metaphorically as merchandise and units of service in aisles of stores (see at least column 1, lines 31-40 and column 3, lines 46-52).
12. **As per claim 15:** Subler discloses wherein said graphical user interface further presents said stores metaphorically as a member of the set consisting of villages, town squares, shopping centers, and malls (the graphical user interface displays the hierarchically organized graphical representations of items or groups of items that are available to be ordered, see at least column 1, lines 31-40 and column 3, lines 46-52).

13. **As per claim 26, 28, 29, 30 and 31:** the claims are rejected over Subler using the same rationale used in rejecting claim 12. Regarding the limitation "a logic in the to personal computer to..." recited in claim 26 and the limitation "executable software..." recited in claim 29 are also disclosed by Subler (see at least column 5, lines 19-30 and column 1, lines 25- 28).

15. **As per claim 27:** this claim is rejected based on the same rationale in claim 12 rejections shown above.

16. **Examiner's Note:** The Examiner has pointed out particular references contained in the prior art of record within the body of this action for the convenience of the Applicant. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may apply. Applicant, in preparing the response, should consider fully the entire reference as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior art or disclosed by the Examiner.

### ***Response to Arguments***

17. Applicant's arguments filed March 17, 2008 ("Applicants' Response") have been fully considered but they are not persuasive.

a. In response to applicant's arguments against the references individually, one cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981); *In re Merck & Co.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986).

b. In response to applicant's argument that the references fail to show certain features of applicant's invention, it is noted that the features upon which applicant relies (i.e. on pages 3 and 4 of the Applicants' Response, Applicants argue " **the hard drive based approach recited in claim 12 does not require loading or installing software. Such is already present on the hard drive, it will work (e.g., it is not like a CD with Macintosh software being put into a PC), and it is trustworthy because it came with the PC itself**") are not recited in the rejected claim(s). Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993).

c. In response to Applicants' argument on page 4 of the Applicants' Response that "**the Action states that Subler discloses ". accepting a selection representing a particular said asset from said user (see at least column 5, lines 5-30).**" However, the cite does not support the assertion. Col. 5, ln. 5-30 merely teaches accepting an order at a remote workstation;



**not local software accepting a selection that may later be part of an order".**

The Examiners, however disagrees for two reasons:

- i. Applicants stated early in the Applicants' Response (page 3, line 32- page 4, line 3) that Applicants' invention **"does not require loading and installing software"**, Which contradicts with Applicants' assertion that Applicants' invention requires **"local software accepting a selection that may later be part of an order** (Applicants' Response: page 4, Line 6- 7).
  - ii. It is noted that the features upon which applicant relies are not recited in the rejected claim(s). Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993).
- d. In Response to Applicants' argument **"the Action states that Subler discloses ". transmitting money representing payment for said selection and an identifier associated with said selection from the personal computer to a clearing house, via a communications system (see at least column 3, lines 30-31 and column 4, lines 51-64)." However, this cite also does not support the assertion. Col. 3, ln. 30-31 teaches nothing about transmitting money (in fact, nowhere does Subler teach a financial clearing house). The text in the cite here merely says that items can be paid for. Similarly, col. 4,**

**In. 51-64 merely teach sending a order to purchase something - not money".** However, the Examiner respectfully disagrees. Subler discloses a payment method **430**, a card holder, a card number and the card's expiration date (figure 20). Subler further discloses an Accounting Order Entry Marketing Analysis Systems **52** that processes orders accounting/ payment information received from the Order Taking System **42** (figure 1; column 5, lines 19- 30). Subler further discloses that a user must pay for the order before items of interest can be rendered (column 3, lines 28- 33). In other words, Subler discloses an on-line, cashless payment system (e.g. using s credit card); payments for selected items must be cleared/ approved by the card issuer before the user can render the items of interest.

e. In response to Applicants' arguments with respect to Hurley **"the Action states that this "discloses storing an inventory of assets in a hard drive of a personal computer prior to delivery of said personal computer to a user (see at least column 1, lines 8-27)." However, here as well, the Action merely a cites part of a generalized, summarizing statement in a Background of Invention section that does not purport to teach anything. Is this being asserted by the Office to be an enabling teaching?"** The Examiner would like to bring to the Applicants attention that the citation (column 1, lines 8-27) states: "The present invention relates generally to the field of sales of computer software and other digital or analog information. More particularly, in a

preferred embodiment, it relates to software that is provided other than by purchase or license of packaged software stored on a physical medium, such as electronically distributed software, i.e. software that is delivered to the customer electronically, rather than through physical distribution methods. Such software can be downloaded from digital data networks such as the Internet, on compact disk read only memory (CD ROM) or floppy, come pre-installed on the hard drive of a computer system, or through broadcast media. Software distributed in such ways other than purchase of the particular packaged software stored on a physical medium is typically provided as a demo copy which can be "unlocked" to give the customer the features of the full product. Most especially, it relates to a system, method and article of manufacture for verifying that a user has disabled software or other digital or analog information that the user wishes to return for credit".

A person of ordinary skill in the art would understand that Hurley discloses providing digital content through packaged software stored on storage mediums such as CD ROM or pre-stored/ pre-installed on the hard drive of the computer system (column 1, lines 8-27). Hurley further discloses that said pre-stored/ pre-installed content are disabled/ locked (e.g. demo or preview copy) and for the user to obtain full access of said content, the user has to request an access/unlock code which unlocks the content (abstract). Therefore, Hurley does clearly disclose the limitation "storing an inventory of assets in a hard drive of a personal computer prior to delivery of said personal computer to a user".

f. In response to applicant's argument that the examiner's conclusion of obviousness is based upon improper hindsight reasoning, it must be recognized that any judgment on obviousness is in a sense necessarily a reconstruction based upon hindsight reasoning. But so long as it takes into account only knowledge which was within the level of ordinary skill at the time the claimed invention was made, and does not include knowledge gleaned only from the applicant's disclosure, such a reconstruction is proper. See *In re McLaughlin*, 443 F.2d 1392, 170 USPQ 209 (CCPA 1971).

g. In response to applicant's argument that there is no suggestion to combine the references, the examiner recognizes that obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. See *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988) and *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992).

h. In response to Applicants' argument **"the Action states "It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify Subler's teachings to include the step of pre- storing digital**

**content in the computer's hard-drive ..." (underline added). Respectfully this on its face is taking just one step listed in the abstract, out of context and ignoring the rest of the teachings of the reference. Additionally, this states no rationale for substituting Hurley's hard drive in place of Subler's CD-ROM, and still having a workable result in view of the rest of Subler's teachings".** However, the Examiner respectfully disagrees.

Subler discloses content items (e.g. demo or preview copy) that are distributed to user/ consumers as packages stored on physical mediums such as CD ROM (note that Hurley uses the CD ROM as non-limiting example of storage mediums) (column 1, lines 7- 29). For the user to unlock the content item (s), the user has to obtain an access/unlock code/key to fully utilize the content item (s) of interest (column 2, lines 29- 46).

Hurley, on the other hand, discloses digital content (e.g. locked/ demo copy) which is provided to the end user on storage mediums such as CD- ROM, floppy disk or pre-installed on a computer's hard drive (emphasis added) (column 1, lines 10- 20). Hurley in (column 1, lines 21- column 2, lines 13) further discloses the deficiencies that exist with the prior art and suggested solutions for said deficiencies. Hurley states:

- i. Increasingly, manufacturers are distributing software as unlockable demo versions to cut down on distribution costs. This method of distribution causes difficulty when a product needs to be returned, since

there is no physical media that can be sent back to the manufacturer to verify that the product is no longer in use.

ii. After a product has been purchased, the customer may decide to return the product. In the case where there is no physical media that can be returned, such as when the demo copy has been unlocked, the vendor must rely on the word of the customer that the software has been removed from their machine. Furthermore, if the customer had been given an access code to unlock the software, a method is needed to prevent re-use of this access code. With credit card purchases, there is not an effective way to refuse to accept a return.

iii. Currently, companies that sell software using this model simply write off losses due to fraudulent returns. This represents a small but significant amount of lost revenue. A need therefore exists for a system and method which will serve as a substitute for returning a packaged software product for credit.

iv. There is a substantial body of prior art relating to various systems and methods for distribution of software and other information that involve the use of access codes to unlock the software, as well as for preventing unauthorized copying of software or other information. The use of such access codes allows demo versions of the software, which actually contain a complete copy of the software, to be made fully functionally upon entry of the access code, which is supplied to the user after payment

is made, such as with a credit card. Examples of such systems and methods are disclosed in Hellman, U.S. Pat. No. 4,658,093, issued Apr. 14, 1987; Chernow et al., U.S. Pat. No. 4,999,806, issued Mar. 12, 1991; Holmes, U.S. Pat. No. 5,287,407, issued Feb. 15, 1994 and Chou et al., U.S. Pat. No. 5,337,357, issued Aug. 9, 1994.

v. In contrast, there appears to be no attention to the reverse problem of insuring that a user of software or other information who wishes to return the software or other information for credit no longer has full access to that software or information. When software or other information is distributed as a package containing the software or other information separately on a physical storage medium, the storage medium containing the software or other information can be returned along with any printed documentation in order to receive the credit.

Therefore, it would have been obvious to a person having ordinary skill in the art at the time the invention was made to replace the storage medium (e.g. CD ROM) used by Subler to distribute content items to consumers/ end-users with Hurley's storage medium (e.g. hard-drive that contains pre-installed content items) to:

i. ensure the compatibility of the digital content with the computer configuration (Subler: column 1, lines 50- 60).

- ii. to restrict the usage of the digital content to only one computer hard drive (Hurley: column 2, lines 4- 13).
- iii. to reduce the cost of delivering the digital content to the user by not using a storage media such as CD-ROM's (Hurley: column 2, lines 27-31).

### ***Conclusion***

**THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Because this application is now final, Applicant(s) are reminded of the USPTO's after final practice as discussed in MPEP §714.12 and §714.13 and that entry of amendments after final is not a matter of right. "The refusal of an examiner to enter an amendment after final rejection of claims is a matter of



discretion." *In re Berger*, 279 F.3d 975, 984, 61 USPQ2d 1523, 1529 (Fed. Cir. 2002) (citations omitted). Furthermore, suggestions or examples of claim language provided by the Examiner are just that—suggestions or examples—and do not constitute a formal requirement mandated by the Examiner. Unless stated otherwise by an express indication that a claim is "allowed," exemplary claim language provided by the Examiner to overcome a particular rejection or to change claim interpretation has not been addressed with respect to other aspects of patentability (e.g. §101 patentable subject matter, §112 1st paragraph written description and enablement, §112 2nd paragraph indefiniteness, and §102 and §103 prior art). Therefore, any claim amendment submitted under 37 C.F.R. §1.116 that incorporates an Examiner suggestion or example or simply changes claim interpretation will nevertheless require further consideration and/or search and a patentability determination as noted above.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Mamoun Obeid whose telephone number is (571) 270-1813. The examiner can normally be reached on Mon-Fri 9:30 AM- 6:00 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Andrew J. Fischer can be reached on (571) 272-6779. The fax phone

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number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

Mamon Obeid  
Examiner  
Art Unit: 3621  
June 12, 2008

/ANDREW J. FISCHER/  
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